IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 162 OF 2004

In the matter of Companies Act, 1956;

GTC INDUSTRIES LIMITED ... Petitioner

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Shri N.G. Thakker i/by Little & Co.
for petitioner.
Shri C.J Joy with R.C. Mastr & M.M.
Goswami Panel Counsels i/by
Dr. T.C. Kaushik for Regional
Director, Dept. of Company Affairs.
Shri R.C. Gupta, Official Liquidator present.

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CORAM : S.U. KAMDAR,J.

DATE : 28TH JANUARY, 2005.

P.C.

1. The present company petition has been filed under the provisions of sections 391 to 393 of the Companies Act, 1956. It proposes a scheme of

arrangement in respect of the company in liquidation, namely, Raigadh Papers Limited. The Regional Director has filed an affidavit dated 12.1.2005 and has brought to my notice that the company in liquidation is proposed to be taken over by the applicant herein under the proposed scheme of arrangement. However, it has been brought to my notice that the applicant itself is declared a sick industry and a scheme in respect of it is sanctioned by the Board for Industrial and Financial Reconstruction. by order dated 16.12.2002. In view thereof, the learned counsel appearing for the Regional Director submitted that the company is not financially sound for the purpose of arrangement which has been proposed. However, Mr. Thakker, the learned counsel for the petitioner pointed out that in respect of the scheme of arrangement all the secured and unsecured creditors have given their consent and they have no objection to the scheme being sanctioned. He has also pointed out that substantial creditors and shareholders of the company is the applicant and its wholly owned subsidiary companies. In view of the consent of all the creditors I do not see any reason why the scheme should not be granted. Accordingly, I pass the order in terms of prayer clauses (a) and (b) with costs.

2. The petitioner would pay costs of Rs.

2,500/- to the Regional Director.

3. Mr. Thakker states that in so far as the workers are concerned, it undertakes to this Hon'ble Court to discharge the liability of such workers, if any. According to him, all workers have been already paid off. Mr. Thakker, the learned counsel for the petitioner shall deposit the amount due and payable to the security agencies and workers by the Official Liquidator within a period of four weeks from today. The Official Liquidator is directed to hand over the possession of the assets of the company in liquidation to the applicant herein on his costs charges and expenses including the charges of the security agency are paid by the applicant herein.

4. The costs of the Official Liquidator is quantified at Rs. 7500/-.